

State of South Dakota

EIGHTIETH SESSION LEGISLATIVE ASSEMBLY, 2005

517L0577

HOUSE BILL NO. 1202

Introduced by: Representatives Cutler, Hennies, Hunhoff, Kraus, Murschel, Pederson (Gordon), Rounds, Sebert, Tornow, and Willadsen and Senators Napoli, Abdallah, Bartling, Bogue, Moore, and Olson (Ed)

1 FOR AN ACT ENTITLED, An Act to provide for a salvage title.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 32-3-26.1 be repealed.

4 ~~— 32-3-26.1. Any insurance company authorized to do business in this state does not need to~~
5 ~~apply for a certificate of title as provided by § 32-3-26, if the motor vehicle, trailer, or~~
6 ~~semitrailer is acquired as the result of an insurance claim settlement and is being transferred to~~
7 ~~a licensed motor vehicle dealer. Instead, upon such a transfer of the motor vehicle, trailer, or~~
8 ~~semitrailer, the insurance company shall give the licensed motor vehicle dealer a reassignment~~
9 ~~of the title of the motor vehicle, trailer, or semitrailer.~~

10 Section 2. For purposes of this Act, the term, salvage vehicle, means any vehicle that an
11 insurer or self insurer determines a total loss due to damage caused by fire, vandalism, collision,
12 or weather, except for damage caused by hail, submersion in water, or flood. This section does
13 not apply to any motor vehicle more than six model years old or with a gross vehicle weight
14 rating of more than sixteen thousand pounds.

15 Section 3. That chapter 32-3 be amended by adding thereto a NEW SECTION to read as



1 follows:

2 If an insurer, in settlement of a total loss insurance claim, or self insurer acquires the
3 ownership of a salvage vehicle that does not have a salvage vehicle title, the insurer shall within
4 thirty days following acquisition of the certificate of title of that vehicle, surrender the certificate
5 of title for such vehicle to the department. The department shall promptly issue a title indicating
6 it is a salvage vehicle to the insurer or self insurer. Once a vehicle has been branded a salvage
7 vehicle, nothing in this section prohibits a person, after repair and inspection of the vehicle,
8 from obtaining a rebuilt title pursuant to § 32-3-53.

9 Section 4. That chapter 32-3 be amended by adding thereto a NEW SECTION to read as
10 follows:

11 If an insurer or self insurer declares a vehicle to be a total loss but does not acquire
12 ownership of the vehicle, the owner shall obtain a salvage title for the vehicle. The insurer or
13 self insurer shall, in writing, notify the owner of the obligation to obtain a salvage title before
14 the owner sells or transfers the title. If the owner sells or transfers the ownership of the vehicle
15 without first obtaining a salvage title, the owner is guilty of a Class 1 misdemeanor. This section
16 does not apply to any motor vehicle more than six model years old or with a gross vehicle
17 weight rating of more than sixteen thousand pounds.

18 Section 5. That § 32-3-51.9 be amended to read as follows:

19 32-3-51.9. For the purposes of the damage disclosure statement provided by § 32-3-51.8,
20 ~~"damage"~~ the term, damage, is damage to the motor vehicle caused by fire, vandalism, collision,
21 weather, submersion in water, or flood, and does not include normal wear and tear, glass
22 damage, mechanical repairs, or electrical repairs that have not been caused by fire, vandalism,
23 collision, weather, submersion in water, or flood. However, the term does not include any
24 damage caused by hail.

1 Section 6. That § 32-3-51.5 be amended to read as follows:

2 32-3-51.5. Any motor vehicle, trailer, or semitrailer whose title has been marked by another
3 state or jurisdiction, shall receive a title, which shall contain the damage disclosure information
4 as set forth in §§ 32-3-51.7 and 32-3-51.8. However, if the title has been branded as salvage by
5 another state or jurisdiction the applicant shall receive a salvage title or, at the option of the
6 owner, a junking certificate.